

Letters of Support for

SB 321

"Business and Industrial  
Development Corporation Act"



## THREE BEARS ALASKA, INC.

Anchorage Office  
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January 30, 2007

To Whom It May Concern,

I am writing this letter to express my support for the idea of establishing a statute allowing Business and Industrial Development Corporations ("BIDCOs") in the state of Montana.

Our company, Three Bears Alaska, Inc., is currently working to open a new store in Butte, Montana. Once opened, we expect to staff the store with approximately 85 new employees that will earn above-average wages for our industry and the Butte market and will be eligible for benefits with full-time status. We expect to open for business in Butte sometime in late-Spring 2007. We are very excited about this expansion, as it is our first into the lower-48 states.


Without the support of Jeff Batton and Alaska Growth Capital, it is doubtful that we would have located our project in Butte or anywhere else in Montana. Jeff was helpful in suggesting potential locations for this project, while AGC's commitment for permanent financing has allowed us to move forward with the project.

With AGC's commitment for financing, we were able to arrange construction financing from US Bank. However, it was clear to us from our work in Butte that our project would not have received permanent financing from any of the local banks. And that is why I think that the creation of a Montana-based BIDCO would be good for overall economic development in Montana. In our case, without the ability to access higher-risk capital from a BIDCO, we would have been forced to go elsewhere with our project. And I have to believe that there are many other companies either in Montana or considering coming to Montana that would also benefit from access to this type of capital.

In addition to this first-hand experience in Montana, I can tell you that I have seen the BIDCO effort in Alaska turn into an unqualified success. I am familiar with several businesses in Alaska that have received financing from AGC, and I doubt they would have been financed any other way.

Once again, I urge you to do what you can to establish one or more BIDCOs in Montana. The existence of this type of capital would enable the growth of businesses that might otherwise fail to take root. And the economic benefits would be tangible and real and will make Montana an even better place for all.

Best regards,

  
Stephen D. Mierop  
Vice President/CFO



## Bear Paw Development Corporation of Northern Montana

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### Members:

Hill County  
Blaine County  
Liberty County  
Chouteau County  
Phillips County  
Havre  
Chinook  
Harlem  
Ft. Benton  
Chester  
Malta  
Big Sandy  
Ft. Belknap  
Rocky Boy's  
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#### Deputy Director:

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#### Loan Officer:

Sylvia D. Murray

#### Loan Technician:

Brent Melle

#### Planner:

Craig Erickson

#### Small Business

#### Development

#### Center:

Joe LaPlante

#### Value Added

#### Agriculture

#### Coordinator:

Brandi Beecher

January 8, 2007

### TO WHOM IT MAY CONCERN:

I am writing to express my support for legislation that may be necessary for the establishment of Business and Industrial Development Corporations in Montana.

I am hopeful that the establishment of BIDCOs will assist in the flow of private capital into traditionally unbankable businesses in Montana, helping expand our state's economy.

Through my discussions with Jeff Batton, who simultaneously works for Alaska Growth Capital and is leading the effort to build Montana Growth Capital, I have learned that Alaska's BIDCO statute enables Alaska Growth Capital to participate in federal loan guarantee programs because of the state's oversight of AGC's business. By using these guarantee programs, AGC is then able to import Wall Street capital into its home state of Alaska in fairly large quantities. One of the biggest hurdles to economic development in any economy is access to new capital, and the BIDCO model has proven to be one way to surmount this hurdle.

Your consideration of allowing for the establishment of BIDCOs in Montana is appreciated. The resulting access to growth capital could have significant and positive implications for businesses in our state.

Thank you for considering these comments.

Best regards,

Paul Tuss  
Executive Director



Butte Local  
Development  
Corporation

January 12, 2007

To Whom It May Concern:

I am writing this letter to express my support for the idea of establishing a statute allowing Business and Industrial Development Corporations (BIDCO's) in the state of Montana.

The Butte Local Development Corporation has been working with a BIDCO named Alaska Growth Capital in order to attract a significant new employer to our community. The company, Three Bears Alaska, expects to open a new store in early 2007 which will employ about 80 new employees at attractive wage rates. From what I understand, this project would not have occurred without the financial support of Alaska Growth Capital. Construction is already well underway, with construction financing from US Bank. However, without permanent financing from Alaska Growth Capital, I am not sure that Three Bears would have been able to expand to Butte.

I am also aware that Jeff Batton of Alaska Growth Capital has been working with a Butte-based software company that is in need of growth capital. My understanding is that Alaska Growth Capital was not able to finance this company directly, but Jeff did make a critical introduction to a strategic partner from Alaska. Again, it is doubtful that this partnership would have happened without the involvement of Alaska Growth Capital.

Overall, I can see that the creation of a Montana-based BIDCO would be good for the overall economic development in Montana. A profit-driven company with an economic development mission just makes good sense and would complement the efforts of organizations like the Butte Local Development Corporation all over the state.

Best regards,

Jim Smitham  
Executive Director

